

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

W.R. GRACE & COMPANY, et al¹,

Chapter 11

Debtors.

Case No. 01-01139(JKF)
(Jointly Administered)

Objection Date: 9/30/13

Due by:

Hearing: 12/18/13 at 11:00a.m.

**THIRTY-FIFTH QUARTERLY APPLICATION² OF BAKER, DONELSON,
BEARMAN, CALDWELL & BERKOWITZ, P.C. FOR COMPENSATION AND FOR
REIMBURSEMENT OF EXPENSES FOR
JANUARY 1, 2013 THROUGH MARCH 31, 2013**

Pursuant to Sections 330 and 331 of Title 11 of the United States Code (the "Bankruptcy Code"), Fed. R. Bankr. P. 2016 and the Court's Amended Administrative Order under 11 U.S.C. §§ 105(a) and 331 Establishing Revised Procedures for Interim Compensation and Reimbursement of Expenses for Professionals and Official Committee Members, signed April

¹ The Debtors consist of the following 62 entities: W.R. Grade & Co. (f/k/a Grace Specialty Chemicals, Inc.). W.R. Grace & Co.-Conn, A-1 Bit & Tool Co., Inc., Alewife Boston Ltd, Alewife Land Corporation, Amicon, Inc., CB Biomedical, Inc. (f/k/a Circe Biomedical, Inc.), CCHP, Inc., Coalgrace, Inc., Coalgrace II, Inc., Creative Food 'N Fun Company, Darex Puerto Rico, Inc., Del Taco Restaurants, Inc. Dewey and Almy, LLC (f/k/a Dewey and Almy Company), Ecarc, Inc., Five Alewife Boston Ltd.; G C Limited Partners I, Inc. (f/k/a Grace Cocoa Limited Partners I, Inc.), G C Management, Inc. (fka Grace Cocoa management, Inc.), GEC Management Corporation, GN Holdings, Inc., GPC Thomasville Corp., Gloucester New Communities Company, Inc., Grace A-B Inc., Grace A-B ((Inc., Grace Chemical Company of Cuba, Grace Culinary Systems, Inc., Grace Drilling Company, Grace Energy Corporation, Grace Environmental, Inc., Grace Europe, Inc., Grace H-G Inc, Grace H-Gm II Inc., Grace Hotel Services Corporation, Grace International Holdings, Inc. (f/k/a Dearborn International Holdings, Inc.), Grace Offshore Company, Grace PAR Corporation, Grace Petroleum Libya Incorporated, Grace Tarpon Investors, Inc., Grace Ventures Corp., Grace Washington, Inc., W.R. Grace Capital Corporation, W.R. Grace Land Corporation, Gracoal, Inc., Gracoal II, Inc., Guanica-Caribe Land Development Corporation, Hanover Square Corporation, Homco International, Inc., Kootenni Development Company, L B Realty, Inc., Litigation Management, Inc. (f/k/a GHSC Holding, Inc., Grace JVH, Inc., Asbestos Management, Inc.), Monolity Enterprises Incorporated, Monroe Street, Inc., MRA Holdings Corp. (f/k/a Nestor-BNA Holdings Corporation), MRA Intermedco, Inc. (f/k/a Nestor-BNA, Inc.), MRA Staffing Systems, Inc. (f/k/a British Nursing Association, In.), Remedium Group, Inc. (f/k/a Environmental Liability Management, Inc., E&C Liquidating Corp., Emerson & Cuming, Inc.), Southern Oil, Resin & Fiberglass, Inc., Water Street Corporation, Axial Basin Ranch Company, CC Partners (f/k/a Cross Country Staffing), Hayden-Gulch West Coal Company, H-G Coal Company.

² While this is the Thirty-Fifth Quarterly Fee Application of this Firm, it encompasses January through March 2013 which is the Forty-Eighth Interim Application Period.

17, 2002, Amending the Court's Administrative Order Pursuant to Sections 105(a) and 331 of the Bankruptcy Code Establishing Procedures for Allowance of Payment of Monthly Interim Compensation and Reimbursement of Expenses of Professionals entered May 3, 2001 (together the "Administrative Order"), the firm of Baker Donelson Bearman Caldwell & Berkowitz, P.C. ("Baker Donelson") hereby files this Thirty-Fifth Quarterly Application of Baker Donelson for Compensation and Reimbursement of Expenses for the Period Commencing January 1, 2013, through March 31, 2013 (the "Thirty-Fifth Fee Application"). By this Thirty-Fifth Fee Application, Baker Donelson seeks the interim allowance of compensation in the amount of \$90,000.00 and reimbursement of actual and necessary expenses in the amount of \$1,039.79 for a total of \$91,039.79 for the period of January 1, 2013, through March 31, 2013 (the "Interim Period"). In support of this Thirty-Fifth Fee Application, Baker Donelson respectfully represents as follows:

BACKGROUND

1. On April 2, 2001 (the "Petition Date") each of the Debtors (collectively the "Debtors") filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code. Pursuant to Sections 1107 and 1108 of the Bankruptcy Code, the Debtors are continuing to operate their businesses and manage their properties and assets as Debtors-in-Possession.
2. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 §§ 157(b)(2).
3. On April 20, 2001, the court entered its Order that the Debtors' Chapter 11 cases be consolidated for procedural purposes only and administered jointly.
4. By this Court's Order dated June 16, 2004, the Debtors were authorized to retain Baker Donelson to advise the Debtors, their counsel, and their Board of Directors

with respect to legislative affairs and current pending, and future legislative affairs ("Legislative Affairs Services") and such other related services as the Debtors may deem necessary or desirable, effective as of April 2, 2001 (the "Retention Order"). The Retention Order authorizes Debtors to compensate Baker Donelson on a flat rate in the amount of \$17,000.00 per month for services rendered plus reimbursement of actual and necessary expenses incurred by Baker Donelson.

5. The Order Modifying and Expanding Services increased the flat rate for compensation for Legislative Affairs Services to an amount of \$20,000.00 per month effective March, 2005 for services rendered plus reimbursement of actual and necessary expenses incurred by Baker Donelson.
6. Pursuant to agreement with the Debtor the agreed compensation for 2011 was reduced to \$19,000.00, plus reimbursement of actual and necessary expenses incurred by Baker Donelson.
7. A Motion was filed on November 14, 2012 (Dk No. 29907), seeking an Order of the Court approving the modification and expansion of the scope of services provided by Baker Donelson and seeking entry of the Order *Nunc Pro Tunc* to May 1, 2012. On March 18, 2013 a Motion (Dk No. 30412) was filed by the Debtors seeking an Order approving Baker Donelson's monthly fixed fee, clarifying that Section 328(a) of the Bankruptcy Code provides the appropriate standard of review and expanding the scope of certain Legislative Affairs Services *Nunc Pro Tunc* to May 1, 2012. An Order was entered approving the Motion on April 17, 2013 entered *Nunc Pro Tunc* to May 1, 2012 (Dk No.30523).

8. Pursuant to the procedures set forth in the Administrative Order, professionals may request monthly compensation and reimbursement, and interested parties may object to such requests. If no interested party objects to a professional's request within twenty (20) days, the applicable professional may submit to the Court a Certification of No Objection authorizing the interim compensation and reimbursement of eighty percent (80%) of the fees requested and one hundred percent (100%) of the expenses requested subject to the filing and approval of interim and final fee applications of the professional. The professional is to also file a Quarterly Interim Fee Application.
9. Attached hereto as Appendix A is the Verification of E. Franklin Childress, Jr.

MONTHLY AND QUARTERLY FEE APPLICATIONS

10. On December 28, 2004, Baker Donelson filed its first Combined Monthly Fee Application for the months of February, 2004 through November, 2004. Since that date, Baker Donelson has filed monthly and corresponding quarterly fee applications which have been approved by the Court through the Thirty-Second Quarterly covering the months of April through May, 2012.
11. The Monthly Fee Applications filed for this Thirty-Fifth Quarterly Fee Application of Baker Donelson for the months of January, February and March, 2013, were filed seeking approval of the requested fees.
12. The Monthly Applications filed contain summaries of time expended describing the actual and necessary services provided by Baker Donelson during the Thirty-Fifth Interim Period. While Baker Donelson is to be compensated on a flat rate, the monthly summary time records attached as collective Appendix B provide

detail and information as to the work performed by Baker Donelson during the Thirty-Second Interim Period.

REQUESTED RELIEF

13. By this Thirty-Fifth Fee Application, Baker Donelson requests that the Court approve the interim allowance of compensation for professional services rendered in the amount of \$90,000.00 and the reimbursement of actual and necessary expenses incurred in the amount of \$1,039.79 by Baker Donelson during the Thirty-Fifth Interim Period. As stated above, the full scope of services provided and related expenses incurred are fully described in the fee detail attached hereto in Appendix B.
14. At all relevant times, Baker Donelson has been a disinterested person as that term is defined in Section 101(14) of the Bankruptcy Code, and has not represented or held an interest adverse to the interest of Debtors. All services for which compensation is requested by Baker Donelson were performed for or on behalf of Debtors and not on behalf of any committee, creditor or other person.
15. During the Interim Period, Baker Donelson has received no promises for payment from any source for services rendered or to be rendered in any capacity whatsoever in connection with Debtors' cases.
16. Baker Donelson has no agreement with any non-affiliated entity to share any compensation earned in these Chapter 11 cases.
17. The professional services and related expenses for which Baker Donelson requests interim allowance of compensation and reimbursement of expenses were rendered and incurred in connection with Baker Donelson's provision of

professional services, particularly with regard to advice as to current, pending, and future legislative affairs.

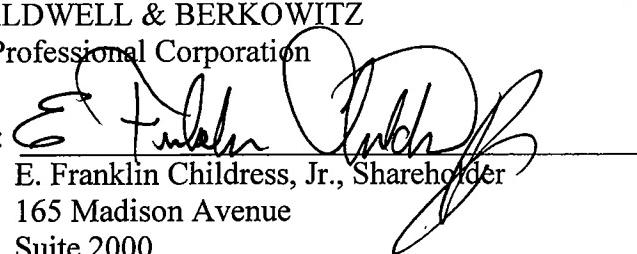
18. Baker Donelson's services have been necessary and beneficial to Debtors, their estates and other parties in interest.

WHEREFORE, Baker Donelson respectfully requests that the Court enter an Order providing that for the period of January 1, 2013 through March 31, 2013, allowance will be made to Baker Donelson in the sum of \$90,000.00 as compensation for reasonable and necessary professional services rendered to Debtors and in the sum of \$1,039.79 for reimbursement of actual and necessary costs and expenses incurred, for a total of \$91,039.79, that Debtors be authorized and directed to pay to Baker Donelson the outstanding amount of such sums; and for such other and further relief as this Court deems just and proper.

Dated: September 6, 2013.

Respectfully submitted,

BAKER, DONELSON, BEARMAN,
CALDWELL & BERKOWITZ
A Professional Corporation

By: 
E. Franklin Childress, Jr., Shareholder
165 Madison Avenue
Suite 2000
Memphis, Tennessee 38103
(901) 526-2000
(901) 577-2303 – Facsimile

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VERIFICATION

State of Tennessee
County of Shelby

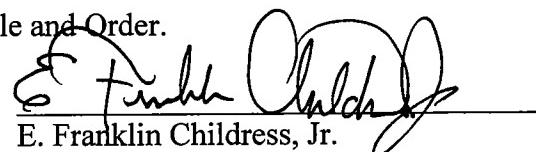
E. Franklin Childress, Jr., after being duly sworn according to law, deposes and says:

1. I am a shareholder and Practice Chair of Baker, Donelson, Bearman, Caldwell & Berkowitz, P.C. ("Baker Donelson").
2. I am personally aware of Baker Donelson's retention to advise the Debtors, their counsel, and their Board of Directors with respect to current, pending and future legislative affairs described by Debtors as Legislative Affairs Services, and such other related services as the Debtors may deem just and desirable in these Chapter 11 cases, and I personally performed the work described in the attached Quarterly

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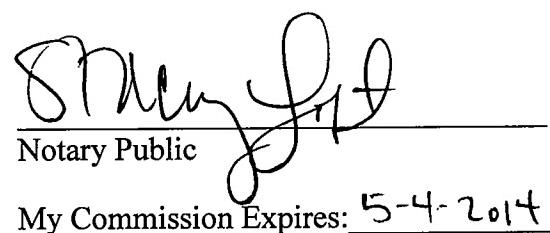
Fee Application filed for the three (3) month period ending March 31, 2013 ("Application") relating to the provision of Legislative Affairs Services.

3. I have reviewed the foregoing Application and the facts set forth therein are true and correct to the best of my knowledge, information and belief. Moreover, I have reviewed Del. Bankr. L. R. 2016-2 and the Amended Administrative Order under 11 U.S.C. §§ 105(a) and 331 Establishing Revised Procedures for Interim Compensation and Reimbursement of Expenses for Professionals and Official Committee Members signed April 17, 2002 and submit that the Application substantially complies with such Rule and Order.



E. Franklin Childress, Jr.

SWORN TO AND SUBSCRIBED before me this 10 day of September, 2013.



Stacey Loft
Notary Public
My Commission Expires: 5-4-2014